

**TESTIMONY OF
ROBERT PERCIASEPE
ASSISTANT ADMINISTRATOR
OFFICE OF AIR AND RADIATION
U.S. ENVIRONMENTAL PROTECTION AGENCY
BEFORE THE
SUBCOMMITTEE ON CLEAN AIR, WETLANDS,
PRIVATE PROPERTY AND NUCLEAR SAFETY
OF THE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE**

March 28, 2000

Senator Inhofe and Members of the Subcommittee, I am pleased to be here today to present the accomplishments of our air and radiation programs, describe the future outlook for those programs, and discuss the Clinton-Gore Administration's FY 2001 budget request for these programs. I would also like to take this opportunity to thank you and the Committee for working with us toward our collective goal of protecting public health and the environment.

First, I will highlight the impressive health and environmental results that the Clean Air Act is achieving as well as discuss the solid progress we are making through our voluntary climate change and indoor air programs.

In 1990, Congress passed the Clean Air Act Amendments with overwhelming support, setting ambitious air pollution reduction goals. Since then, we have achieved unprecedented success in cleaning our nation's air and protecting public health. We have achieved these successes through rulemakings, voluntary measures, market mechanisms, state partnerships, and stakeholder negotiations.

In November 1999, EPA submitted a new Report to Congress which estimates the benefits and costs of the 1990 Amendments. There are significant uncertainties associated with any benefit-cost analysis of clean air programs, requiring scores of methodological decisions and assumptions. Many of the uncertainties involved in this study are the subject of continuing discussion within the economic and policy analysis communities and within the Administration. Reflecting many key uncertainties, the new study estimates that the year 2010 Title I through V benefits which can be expressed in dollar terms may range from 240 billion dollars more than costs to 1 billion dollars less than costs. However, the Primary Central estimate in the study shows net benefits of 83 billion dollars, indicating that the benefits of the 1990 Amendments exceed the costs by 4 to 1. As President Clinton himself stated when it was released: "This report further demonstrates that public health and environmental benefits can be achieved along with economic benefits and this Administration will continue to work aggressively to protect the air we breathe, the water we drink, and the land on which we live."

From 1970 to 1997, U.S. Gross Domestic Product has grown by 114 percent, the U.S. population by 31 percent, and the number of miles traveled by on-road vehicles (VMT) by 127 percent. Yet, the aggregate emissions of criteria pollutants -- ozone precursors, particulate matter, carbon monoxide, sulfur dioxide and lead -- are down 31 percent. Emissions are down significantly for each of these pollutants except for nitrogen oxides (NO_x), which are up somewhat. Lead emissions have been cut 98 percent. Most of these declines in emissions can be attributed to implementation of the Clean Air Act.

A few prominent examples of Clean Air Act successes since 1990 include the following:

- In the Acid Rain Program, electric utilities have cut sulfur dioxide (SO₂) emissions by 22% or 3.5 million tons and have cut rainfall acidity in the East by up to 25%. When Title IV is fully implemented in 2010, EPA's study projects that SO₂ and NO_x reductions will provide substantial health benefits (mostly from a reduction in annual cases of premature mortality). Acid Rain control will also produce significant benefits in terms of improved visibility, lowered surface water acidity, and less damage to high elevation forests and materials.
- The U.S. and other developed countries have phased out production of many of the chemicals most harmful to the stratospheric ozone layer, including CFCs. We have estimated that once completed, the worldwide phaseout will prevent approximately 295 million skin cancers in the U.S. through 2075.
- We have issued air toxics rules, or MACT Standards, that we believe will cut industrial air toxics by 1.5 million tons a year, 8 times the amount achieved in the previous 20 years.
- The air in our cities is cleaner than it has been in a long time. Nationally, average air quality levels have improved for all five of six common pollutants subject to air quality standards. There have been dramatic cuts in the number of areas violating these standards.
- Our cars and fuels are cleaner. The average new car is 40 percent cleaner (in terms of

emissions) than in 1990; over 30 percent of the nation's gasoline is now reformulated gasoline.

- In December 1999, we set the tightest emissions standards ever for cars, gasoline and the first standards that apply equally to sport utility vehicles (SUVs) and minivans. The projected costs to meet these standards, about \$100 for cars, \$200 for light-duty trucks, and two cents per gallon of gas, are far outweighed by the projected public health benefits. Estimated benefits include the long term yearly avoidance of premature deaths, cases of bronchitis, and significant numbers of hospital visits, lost work days, and multiple respiratory ailments (especially affecting children).
- Through EPA's voluntary climate change programs, the American people have enjoyed a significant return on their investment. For every dollar spent by EPA on its voluntary energy efficiency programs, the private sector and consumers have invested more than \$15 in new more efficient technologies; businesses and consumers have saved over \$70; and greenhouse gases have been reduced by more than half a ton of carbon equivalent.

As you can see, we have made impressive progress. Based on EPA's findings in the November study, we believe that the health benefits from reductions in ground-level ozone, particulate matter, and associated pollutants (especially from reductions in SO₂ emissions) achieved under the 1990 Clean Air Act Amendments will continue to grow. For example, the study's Primary Central Estimate of benefits for the year 2010 is:

- 23,000 fewer incidences of premature mortality,
- 20,000 fewer cases of chronic bronchitis and 47,000 cases of acute bronchitis,

- 22,000 fewer respiratory related hospital admissions, 42,000 fewer cardiovascular hospital admissions, and 4,800 fewer emergency room visits for asthma,
- 91,000 fewer incidence-days of shortness of breath and 1,700,000 fewer asthma attacks, and
- 4,100,000 fewer lost work days and 31,000,000 fewer days with restricted activity due to air pollution-related illness.

With respect to climate change, if the EPA programs were funded at the President's request, we can deliver sizeable additional benefits across the U.S. By 2010, we estimate that we can realize:

- an additional 335 million metric tons of carbon equivalent of cumulative reductions in greenhouse gas emissions;
- an additional \$35 billion in energy savings to families and businesses, and
- an additional 850,000 tons of NOx emissions reductions.

To achieve these benefits, we must aggressively pursue our programs. Will Rogers once said, "Even if you're on the right track, you'll get run over if you just sit there." To keep pace with increasing VMTs, economic growth, etc., there's still more work that needs to be done.

But before I move on to the discussion of the FY 2001 Budget Request, I'd like to give you a few highlights of our agenda for FY 2000 which is already well under way.

We continue to work on attaining the existing air quality standards, especially the 1-hour ozone standard. We are also laying the groundwork for our new standards – the 8-hour ozone standard, the PM2.5 standard, and our regional haze program. We work with the Office of

Research and Development and others to reduce the uncertainties associated with air pollution science.

We also intend to propose more stringent standards for large trucks and buses. As we did with the recent rule for cars, SUVs, and minivans, we will consider these vehicles in conjunction with their fuels as a system. These standards could become effective in 2007.

While the Acid Rain Program has gotten off to a great start in reducing SO₂ and NO_x emissions, Phase II of the Program only began this year. It is essential that we maintain sufficient funding if we are to realize the full emission reductions of 10 million tons in SO₂ and 2 million tons in NO_x by 2010.

While industries have made great strides in reducing the large quantities of toxic air pollutants, we still need to keep moving forward with issuing MACT standards for the additional major sources. We also are beginning the early stages of implementing the second phase of the air toxics program, targeting specific problems for evaluation such as elevated risks in urban areas, deposition of air toxics into the Great Lakes, mercury emissions, and residual risks from already controlled sources. We are also moving beyond stationary sources to focus on potential increased controls for air toxics from mobile sources. We expect to finalize a rule on mobile air toxics in December 2000.

In our radiation programs, we are finalizing environmental radiation protection standards for the Yucca Mountain radioactive waste disposal site in Nevada. In 1998, we certified that the Waste Isolation Pilot Plant in New Mexico complies with EPA's safety standards for radioactive waste. Radioactive waste is now being shipped to the WIPP.

In our indoor air programs, much of our effort is focused on the government-wide asthma initiative to better educate and inform parents and children about asthma. We specifically focus on indoor triggers of asthma like environmental tobacco smoke.

We are actively carrying out the voluntary programs that are part of the President's Climate Change Technology Initiative (CCTI). Along with the CCTI programs which include EPA's contribution in the Partnership for a New Generation of Vehicles (a multi-agency research effort to produce highly fuel-efficient vehicles), we continue to explore strategies that lead to both criteria pollutant reductions and greenhouse gas reductions. We have learned that our voluntary programs like Energy Star are successful in helping reduce both greenhouse gases and conventional pollutants. And this can often work both ways -- smart measures to reduce SO₂ or NO_x can often reduce greenhouse gases as a byproduct.

All this leads me into describing our request for FY 2001. The Office of Air and Radiation is requesting a total of \$831 million. Of that total, \$308 million is for grants to states, tribes and localities. \$523 million is for the operating programs.

A highlight of our request is the Clean Air Partnership Fund. We proposed the Fund for the first time last year and we still believe it provides an innovative, yet common sense, approach for speeding reductions in pollution. The President's Budget requests \$85 million for the Partnership Fund. The Fund will support demonstration projects by cities, states and tribes that (1) control multiple air pollution problems simultaneously; (2) leverage the original federal funds; (3) facilitate meaningful public involvement, and (4) provide examples that can be replicated across the country. By stimulating innovative technology and policies, the Clean Air Partnership Fund will help communities provide clean, healthful air to local citizens.

To address global warming we are requesting \$227 million. We are proposing an increase of \$124 million over the FY 2000 enacted budget for the third year of the Climate Change Technology Initiative. Under this budget, EPA will expand its partnership efforts with businesses, organizations, and consumers to achieve greenhouse gas reductions by taking advantage of the many opportunities to reduce pollution and energy bills by fostering energy efficient programs, products, technologies, and cost-effective renewable energy. As a result of work already under way, EPA efforts with FY 2001 funding are projected to:

- reduce greenhouse gas emissions annually by over 66 million metric tons of carbon equivalent, offsetting about 20% of the growth in greenhouse gas emissions above 1990 levels;
- reduce other forms of pollution, including reducing NOx emissions by about 170,000 tons;
- reduce U.S. energy consumption from projected levels by more than 70 billion kilowatt hours, providing \$9 billion in energy bill savings to consumers and businesses that use energy-efficient products; and
- contribute to developing a new generation of efficient and low-polluting cars and trucks.

The opportunity to save on our nation's \$500 billion annual energy bill over the next decade while reducing air pollution is tremendous. The opportunity to reduce greenhouse gas emissions is also large. We currently expect that more than half of the nation's greenhouse gas emissions in 2010 will come from equipment that will be purchased over the next ten years. We shouldn't forego this opportunity by not funding expanded energy efficiency programs.

For air toxics, we are requesting \$23 million, an increase of \$6.6 million over FY 2000 operating plan levels, to address the final round of MACT standards by the May 2002 “hammer date”-- the date by which states must determine controls for such sources if EPA has not acted.

The request for the Montreal Protocol Fund totals \$21 million, an increase of \$9 million over the FY 2000 enacted level. The funding to the Protocol is dedicated to paying our dues to the fund and to reduce accumulated arrearage.

To strengthen our relationships with our state and tribal partners, this budget provides \$215 million in state and tribal grants to help implement solutions to air pollution problems locally. Of these resources, a \$5 million increase will be targeted to regional planning bodies to combat the problem of regional haze – one of the most obvious effects of air pollution. Additionally, \$8 million is provided to our state and tribal partners to design, implement, and maintain radon programs.

In late February, Administrator Browner went before the Committee on Environment and Public Works and talked about the Agency’s budget as a whole. One of the things she talked about was the magnitude of special projects that Congress “earmarked” in EPA’s budget. For our office that amount totaled over \$17 million. Without going into the validity of each individual project, I believe that the earmarks do direct money away from the Agency’s core programs.

These are the highlights of our Fiscal Year 2001 request and of our accomplishments since the passage of the Clean Air Act Amendments. By providing our children, our sensitive populations, our native populations and our community as a whole with cleaner air, both indoors and outdoors and improved quality of life, this budget maintains the Administration’s dedication

to the protection of public health and the environment. It ensures that the Environmental Protection Agency will continue the impressive progress of the past decade in cleaning our nation's air.

I look forward to discussing with you now, or as the year progresses, our budget request specifically or any of our policy positions. Thank you.